

Message Text

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ACTION EA-12

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

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PRS-01 AGRE-00 NSC-05 SS-15 STR-05 CEA-01 PM-05

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FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 6739

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY RANGOON

AMEMBASSY ROME

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

USLO PEKING

COMUSTDC

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EO 11652: N/A

TAGS: ECON, TGEN, CH

SUBJECT: PRC BI-WEEKLY ECONOMIC HIGHLIGHTS NO. 12

1. PEKING STRESSES RURAL MANPOWER PLANNING TO BOOST
AGRICULTURAL OUTPUT

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PEKING IS STRESSING IMPROVED MANPOWER PLANNING IN
THE RURAL AREAS AS A MEANS OF BOOSTING AGRICULTURAL PRODUC-
TION. A RECENT EDITORIAL IN THE PEOPLE'S DAILY (SEPTEMBER 3)
CALLED FOR MORE RATIONAL DISTRIBUTION AND USE OF THE
AGRICULTURAL LABOR FORCE.
TO PREVENT LABOR SHORTAGES DURING PEAK PLANTING

AND HARVESTING PERIODS, THE PRODUCTION TEAM, AND THE BASIC AGRICULTURAL UNIT, IS ASSIGNED PRIMARY RESPONSIBILITY AND AUTHORITY FOR MANPOWER PLANNING. COMMUNES AND BRIGADES MUST CONSULT WITH THE TEAM ON ANY PLANNED DIVERSION OF MANPOWER FROM "FRONTLINE" PRODUCTION TO FARMLAND CAPITAL CONSTRUCTION PROJECTS OR TO COMMUNE AND BRIGADE-RUN ENTERPRISES. THIS DOES NOT IMPLY A DOWNGRADING IN THE IMPORTANCE OF CONSTRUCTION PROJECTS OR ENTERPRISE WORK, ONLY THAT SCHEDULING OF THESE MUST BE STRICTLY CONTROLLED TO PREVENT INTERFERENCE WITH PRIMARY AGRICULTURAL TASKS.

WITH AGRICULTURAL OUTPUT VULNERABLE TO NATURAL FORCES, THE GOAL IS TO ELIMINATE MISALLOCATION AND UNDEREMPLOYMENT OF HUMAN RESOURCES, FACTORS WHICH CAN BE CONTROLLED, IN ORDER TO GUARANTEE MORE STABLE ANNUAL YIELDS. IN ADDITION, HIGHER YIELDS RESULTING FROM IMPROVED PRODUCTIVE EFFICIENCY AND REDUCED EXPENDITURES ON NONPRODUCTIVE ACTIVITIES WILL INCREASE THE SURPLUS AVAILABLE FOR INVESTMENT IN INDUSTRIAL PROJECTS IN RURAL AREAS OR ELSEWHERE, OR FOR INCSKQYDP9?4-*(.PCOMEFXM

2. A ROLE FOR THE MASS ORGANIZATIONS IN LABOR MANAGEMENT

PEKING'S RECENT RENEWED ATTENTION TO TRADE UNIONS AND OTHER MASS ORGANIZATIONS, MUCH OF WHOSE PROVINCIAL LIMITED OFFICIAL USE

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LEADERSHIP DISAPPEARED DURING LAST YEAR'S FACTIONAL STRUGGLES, IS IN PART AN EFFORT TO STRENGTHEN THE PARTY'S OPERATIONALSKONTROL OVER LABOR MANAGEMENT.

A SEPTEMBER 7, 1977 PEOPLE'S DAILY ARTICLE WRITTEN BY THE GENERAL OFFICE OF THE CCP CENTRAL COMMITTEE POINTED OUT THAT CHAIRMAN MAO "SHOWED GREAT CONCERN FOR THE GREAT ALLIANCE OF THE REVOLUTIONARY MASS ORGANIZATIONS AS EARLY AS 1967." IN RECENT WEEKS, THE CALL TO CONSOLIDATE, BUILD AND GIVE FULL PLAY TO THE TRADE UNIONS, COMMUNIST YOUTH LEAGUE (CYL), WOMEN'S FEDERATIONS, AND POOR AND LOWER-MIDDLE PEASANT ASSOCIATIONS HAS APPEARED REPEATEDLY IN PROVINCIAL BROADCASTS, PARTY PLENUMS AND OTHER MEETINGS. A PROVINCIAL TRADE UNION WORK CONFERENCE HELD ON SEPTEMBER 6 IN HUNAN, CHAIRMAN HUA'S HOME PROVINCE, REAFFIRMED THE STRICT CONTROL OVER TRADE UNION ACTIVITIES IMPOSED BY THE CONSTITUTION, NAMELY, THAT MASS ORGANIZATIONS "MUST ALL ACCEPT THE ABSOLUTE LEADERSHIP OF THE PARTY."

THE FAILURE OF MASS ORGANIZATION REPRESENTATIVES TO INCREASE THEIR INFLUENCE IN THE PARTY HIERARCHY,

INDEED THEIR DECREASE FROM 28 PERCENT OF THE MEMBERSHIP OF THE TENTH CONGRESS CENTRAL COMMITTEE TO 17 PERCENT OF THE CURRENT CENTRAL COMMITTEE, UNDERSCORES PEKING'S DETERMINATION TO CONFINE THEM TO A LARGELY ECONOMIC ROLE.

3. PEKING SANCTIONS MATERIAL INCENTIVES FOR AGRICULTURE:
WORK POINTS SYSTEM ENDORSED

PEKING HAS ENDORSED THE AGRICULTURAL WORK POINTS SYSTEM IN AN EFFORT TO LESSEN FARMER DISCONTENT AND PROVIDE MATERIAL INCENTIVES TO INCREASE AGRICULTURAL PRODUCTION.

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UNDER ATTACK AS A BOURGEOIS MATERIAL INCENTIVE BY FOLLOWERS OF THE GANG OF FOUR, THE WORK POINTS SYSTEM WAS DEFENDED IN AN ARTICLE IN THE JUNE 2 ISSUE OF THE NANKING UNIVERSITY JOURNAL. THE ARTICLE CASTIGATED THE GANG OF FOUR FOR REPLACING DISTRIBUTION ACCORDING TO LABOR WITH EQUAL DISTRIBUTION OF SOCIAL PRODUCT. THE PEOPLE'S DAILY AND HONG KONG'S PRC-CONTROLLED TA KUNG PAO HAVE BOTH ENDORSED THE WORK POINTS SYSTEM.

REFLECTIVE OF THE NEW GOAL-ORIENTED APPROACH TO ECONOMIC PLANNING, PEKING'S SANCTION OF MATERIAL INCENTIVE IN THE FORM OF THE WORK POINTS SYSTEM IS NOT SURPRISING. IT IS OBVIOUSLY REGARDED AS THE NECESSARY CARROT TO STIMULATE FARMERS TO INCREASE PRODUCTION.
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